



# **ARIZONA DEPARTMENT OF REVENUE**

## **MEMORANDUM**

**DATE:** March 15, 2005

**FROM:** THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS

### ***DECEMBER 2004 TAX FACTS***

#### **SUMMARY OF GENERAL FUND REVENUES**

|   | <u>December 2004</u> | <u>Fiscal Year Total</u> |
|---|----------------------|--------------------------|
| <b>Individual Income Tax</b>                                |                      |                          |
| Net Collections   | \$ 267,063,376       | \$ 1,182,596,154         |
| Percent Change  | 16.3%                | 15.2%                    |
| <b>Corporate Income Tax</b>                                 |                      |                          |
| Net Collections   | \$ 137,232,790       | \$ 342,740,713           |
| Percent Change  | 61.1%                | 61.2%                    |
| <b>Transaction Privilege,<br/>Severance &amp; Use Taxes</b> |                      |                          |
| Net Collections   | \$ 287,618,657       | \$ 1,747,580,734         |
| Change  | 9.9%                 | 9.6%                     |
| <b>Total Big Three Tax Types</b>                            |                      |                          |
| Net Collections   | \$691,914,823        | \$ 3,272,917,601         |
| Percent Change  | 20.0%                | 14.5%                    |

January 2004 was the first month that the department used a new computer system to process transaction privilege tax and withholding. Some of the reports necessary to provide Tax Facts information are still under development. Those sections have been pulled from this report. Once the information is available, it will be sent out.

# TAX FACTS DECEMBER 2004

## INDIVIDUAL INCOME TAX

### Individual Income Tax Receipts

|                        | December 2004         | December 2003         | % Change    |
|------------------------|-----------------------|-----------------------|-------------|
| Gross Collections      | \$ 81,181,241         | \$ 56,932,488         | 42.6        |
| Withholding            | 233,620,890           | 213,979,177           | 9.2         |
| Refunds                | (16,649,373)          | (10,764,756)          | 54.7        |
| Urban Revenue Sharing  | (31,089,382)          | (30,422,097)          | 2.2         |
| <b>Net Collections</b> | <b>\$ 267,063,376</b> | <b>\$ 229,724,812</b> | <b>16.3</b> |

  

|                        | Fiscal Year Total (04/05) | Fiscal Year Total (03/04)* | % Change    |
|------------------------|---------------------------|----------------------------|-------------|
| Gross Collections      | \$ 230,939,386            | \$ 180,894,491             | 27.7        |
| Withholding            | 1,219,209,691             | 1,123,854,682              | 8.5         |
| Refunds                | (81,016,634)              | (95,724,390)               | (15.4)      |
| Urban Revenue Sharing  | (186,536,289)             | (182,532,579)              | 2.2         |
| <b>Net Collections</b> | <b>\$ 1,182,596,154</b>   | <b>\$ 1,026,492,204</b>    | <b>15.2</b> |

\* FYTD 03/04 refunds and net collections do not include Ladewig attorney fees.

In December 2004, the Department did not issue any individual income tax refunds for alternative fuel related credits. One amended corporate income tax return was processed with an additional \$1 million in refund claim, the result of an audit settlement

### Ladewig Refunds

In December 2004, the department issued 610 warrants totaling \$ 602,995 for Ladewig, a Supreme Court tax settlement case. For the fiscal year, 435,786 refunds have been issued for a total of \$ 125,317,925. Attorney payments are not included in the refund amount and total \$5,706,555 for the fiscal year. Refunds issued as a result of the Ladewig case are not included in the total refunds listed in the "Individual Income Tax Receipts" section above or the "Average Individual Income Tax Refund" section later mentioned in this publication.

### Individual Income Tax Document Count

In calendar year 2003, the following individual income tax returns were filed:

|   | 140X   | 140       | 140NR  | 140PY  | 140NPR | 141    | 140A    | 140PTC | 140EZ   | 140ET | OTHER | TOTAL     |
|---|--------|-----------|--------|--------|--------|--------|---------|--------|---------|-------|-------|-----------|
| # | 44,149 | 1,546,452 | 84,078 | 99,313 | 12     | 43,604 | 287,618 | 13,546 | 190,019 | 2,632 | 24    | 2,311,447 |
| % | 1.9    | 66.9      | 3.6    | 4.3    | 0.0    | 1.9    | 12.4    | 0.6    | 8.2     | 0.1   | 0.0   |           |

In calendar year 2004 the number of returns filed, and processed, are as follows:

|   | 140X   | 140       | 140NR  | 140PY   | 140NPR | 141 & 141AZ | 140A    | 140PTC | 140EZ   | 140ET | OTHER | TOTAL     |
|---|--------|-----------|--------|---------|--------|-------------|---------|--------|---------|-------|-------|-----------|
| # | 46,264 | 1,575,957 | 88,795 | 102,431 | 3      | 44,198      | 297,353 | 13,315 | 197,269 | 2,625 | 13    | 2,368,223 |
| % | 2.0    | 66.5      | 3.7    | 4.3     | 0.0    | 1.9         | 12.5    | 0.6    | 8.3     | 0.1   | 0.0   |           |

The 2,368,223 returns, representing current and prior tax years, filed through December 2004 compares to 2,311,447 returns filed during the same period of time in 2003 for an annual increase of 2.4%. For tax year 2003 filed in 2004, 2,248,220 returns have been filed, a 2.6% increase over filings through December 2003 for tax year 2002.

### **Year-Over-Year Comparison of Resident Taxpayers**

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made by using data from taxpayers who have filed for both calendar years and have maintained the same filing status for both years. The Department of Revenue has received 1,594,913 returns in calendar year 2004 for tax year 2003 from filers who also have returns on record from calendar year 2003 with the same marital status. On average, these filers experienced a 4.0% increase in FAGI and a 6.7% increase in tax liability. More specifically, 35.8% of these filers experienced a decrease in tax liability; on average a decrease of 38.4% with a corresponding average decrease in FAGI of 22.7%. Filers with an increase in tax liability totaled 814,585 or 53.2% with an average FAGI increase of 27.8% and an average tax liability increase of 53.2%.

### **Average Individual Income Tax Refund**

Net of Ladewig refunds.

|           | Average  | Number    |
|-----------|----------|-----------|
| 2004 CYTD | \$515.15 | 1,506,740 |
| 2003 CYTD | 563.96   | 1,496,764 |
| % Change  | (8.7)    | 0.7       |

### **"New" Filers in Calendar Year 2004**

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2004. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 239,280 "new" returns have been filed thus far in 2004, representing approximately 289,925 persons, not including dependents. The average Federal Adjusted gross Income for these 239,280 returns is \$20,074, with an average tax liability of \$334. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 16.5% had a married filing joint filing status, 7.5% claimed a 65 and Over Exemption and 32.9% claimed dependents.

### **Individual Income Tax Estimated Payments**

Taxpayers are required to make estimated payments if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. Total estimated payments paid with form 140ES for tax year 2002 was \$295.4 million, for an average of \$1,534. An additional \$75.0 million in estimated payments came from 2001 tax returns that applied their refunds as a 2002 estimated payment, for an average of \$1,685. Estimated payments received through December 2004 for tax year 2004 are as follows:

|             |                 |               |            |                |
|-------------|-----------------|---------------|------------|----------------|
| 12/04       | 140ES payment   | \$ 29,415,992 | Cumulative | \$ 234,500,076 |
| 12/03       | 140ES payment   | 6,960,182     | Cumulative | 172,207,602    |
|             | % change        | 322.6         |            | 36.2           |
| 12/04       | Average payment | \$ 3,358      | Cumulative | \$ 1,614       |
| 12/03       | Average payment | 1,673         | Cumulative | 1,300          |
|             | % change        | 100.7         |            | 24.2           |
| 12/04       | Applied refund  | \$ 15,122,903 | Cumulative | \$ 72,511,018  |
| 12/03       | Applied refund  | 1,420,281     | Cumulative | 72,456,530     |
|             | % change        | 964.8         |            | 0.1            |
| Total 12/04 |                 | \$ 44,538,894 | Cumulative | \$ 307,011,094 |
| Total 12/03 |                 | 8,380,462     | Cumulative | 244,664,139    |
|             | % change        | 431.5         |            | 25.5           |

### **Withholding**

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2001 through March 2003, \$544,701,458 was received for the first quarter of 2002. The latest complete quarter (15 months of information has been compiled) is the fourth quarter of 2003, which shows an increase of 0.9% in withholding payments over the fourth quarter of 2002. Growth in quarters for which information is still being gathered is as follows:

|                              |       |                              |         |
|------------------------------|-------|------------------------------|---------|
| 1 <sup>st</sup> Quarter 2004 | 5.2 % | 3 <sup>rd</sup> Quarter 2004 | 6.7 %   |
| 2 <sup>nd</sup> Quarter 2004 | 2.1 % | 4 <sup>th</sup> Quarter 2004 | (0.6 %) |

Current choices for withholding are 0%, 10%, 18.2%, 21.3%, 23.3%, 29.4% or 34.4% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

### **Property Tax Credits**

Arizona allows a refundable property tax credit for those who are age 65 or older or who received Title 16, SSI payments and pay property tax on a home. To qualify for this credit, household income must be below \$3,751 for individuals that live alone, or \$5,501 for those that live with others. The maximum credit is \$502.

|                    | Number | Amount      | Average  |
|--------------------|--------|-------------|----------|
| Calendar Year 2004 | 15,061 | \$5,308,081 | \$352.44 |
| Calendar Year 2003 | 14,977 | \$5,100,639 | \$340.56 |
| % Change           | 0.6    | 4.1         | 3.5      |

### **Clean Elections**

As a result of the November 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. The following is for tax year 2003:

|                    | December 2004 | Calendar Year Total |
|--------------------|---------------|---------------------|
| Check Off          | \$ 19,397     | \$ 4,249,835        |
| Voluntary Donation | \$986         | \$ 48,476           |
| Number of Returns  | 2,561         | 583,719             |

### **Contributions on the Individual Income Tax Return**

Through December 2004, individual income tax return filers have made the following contributions:

|                           | Number | Amount     | Average |
|---------------------------|--------|------------|---------|
| Wildlife                  | 9,607  | \$ 169,691 | \$17.66 |
| Child Abuse               | 10,502 | 194,122    | 18.48   |
| Special Olympics          | 5,058  | 79,604     | 15.74   |
| Neighbors Helping         | 2,958  | 39,024     | 13.19   |
| AID to Education          | 608    | 42,746     | 70.31   |
| Domestic Violence Shelter | 7,597  | 137,147    | 18.05   |
| Democratic Party          | 1,127  | 27,579     | 24.47   |
| Republican Party          | 709    | 17,080     | 24.09   |
| Libertarian Party         | 86     | 1,730      | 20.12   |

## CORPORATE INCOME TAX

### Corporate Income Tax Receipts

|                        | Dec 2004                 | Dec 2003                       | % Change        |
|------------------------|--------------------------|--------------------------------|-----------------|
| Gross Collections      | \$148,651,887            | \$108,992,703                  | 36.4            |
| Refunds                | (\$11,419,097)           | (\$23,791,682)                 | (52.0)          |
| <b>Net Collections</b> | <b>\$137,232,790</b>     | <b>(\$85,201,021)</b>          | <b>61.1</b>     |
|                        | <b>Fiscal Year Total</b> | <b>Prior Fiscal Year Total</b> | <b>% Change</b> |
| Gross Collections      | \$385,256,769            | \$290,996,560                  | 32.4            |
| Refunds                | (\$42,516,056)           | (\$78,433,189)                 | (45.8)          |
| <b>Net Collections</b> | <b>\$342,740,713</b>     | <b>\$212,563,371</b>           | <b>61.2</b>     |

### Corporate Estimated Payments

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

|          |               |                     |               |
|----------|---------------|---------------------|---------------|
| Dec 2004 | \$115,303,544 | Calendar Year Total | \$519,265,877 |
| Dec 2003 | \$64,880,054  | Calendar Year Total | \$400,497,240 |
| % Change | 77.7%         | % Change            | 29.7%         |

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for December 2004 and for the calendar year.

| Size of Payment → | Less than \$50,000 | \$50,000 up to \$100,000 | \$100,000 up to \$500,000 | \$500,000 up to \$1,000,000 | \$1,000,000 up to \$10,000,000 | \$10,000,000 and more | Total | % chg |
|-------------------|--------------------|--------------------------|---------------------------|-----------------------------|--------------------------------|-----------------------|-------|-------|
| <b>Dec 2004</b>   | 498                | 83                       | 114                       | 13                          | 15                             | 1                     | 724   | 24.4  |
| <b>Dec 2003</b>   | 428                | 61                       | 60                        | 18                          | 15                             | 0                     | 582   |       |
| <b>CY 2003</b>    | 2,853              | 402                      | 501                       | 64                          | 76                             | 2                     | 3,898 | 11.7  |
| <b>CY 2002</b>    | 2,649              | 311                      | 376                       | 77                          | 76                             | 0                     | 3,489 |       |

### Corporate Refunds

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 2003/04 by corporate fiscal year. For example, in FY 2003/04, 9.2% of the refund dollars paid were for corporate fiscal years ending in 1999 or before. The percentages are for refunds paid through the fiscal year.

|                                   |                       |           |           |           |           |           |
|-----------------------------------|-----------------------|-----------|-----------|-----------|-----------|-----------|
| <b>Corporate Fiscal Year-End:</b> | <b>99 &amp; Prior</b> | <b>00</b> | <b>01</b> | <b>02</b> | <b>03</b> | <b>04</b> |
| FY 03/04                          | 9.2%                  | 2.7%      | 3.0%      | 74.5%     | 10.4%     | 0.2%      |
| <b>Corporate Fiscal Year-End:</b> | <b>00 &amp; Prior</b> | <b>01</b> | <b>02</b> | <b>03</b> | <b>04</b> | <b>05</b> |
| FY 04/05                          | 10.6%                 | 3.4%      | 1.9%      | 77.0%     | 7.1%      | 0.0%      |

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table presents refunds applied as estimated payments in the most recent month and for the calendar year.

|          |              |                     |               |
|----------|--------------|---------------------|---------------|
| Dec 2004 | \$13,543,929 | Calendar Year Total | \$154,605,181 |
| Dec 2003 | \$22,660,942 | Calendar Year Total | \$154,605,181 |
| % Change | (40.2%)      | % Change            | (1.6%)        |

### **Corporate Income Tax Document Count**

The Arizona Department of Revenue received 99,009 corporate returns showing a fiscal year-end of 2002. The type of return received is indicated below:

|   | <b>120 X<br/>(amended)</b> | <b>120 (regular)</b> | <b>120S (S corp)</b> | <b>99T (exempt<br/>org.)</b> | <b>120 A (short form)</b> |
|---|----------------------------|----------------------|----------------------|------------------------------|---------------------------|
| # | 289                        | 34,612               | 54,649               | 355                          | 10,889                    |
| % | 0.3                        | 34.3                 | 54.2                 | 0.4                          | 10.8                      |

Through December 2004, 108,944 documents were received for a fiscal year-end of 2003, distributed as follows:

|   | <b>120 X<br/>(amended)</b> | <b>120 (regular)</b> | <b>120S (S corp)</b> | <b>99T (exempt<br/>org.)</b> | <b>120 A (short form)</b> |
|---|----------------------------|----------------------|----------------------|------------------------------|---------------------------|
| # | 310                        | 34,904               | 61,775               | 391                          | 11,564                    |
| % | 0.3                        | 32.0                 | 56.7                 | 0.4                          | 10.6                      |

The figures for the 2003 returns are most meaningful when compared to 2002 returns received during the same period of time in the previous year. Through December 2003, the Department of Revenue received 100,794 documents with a fiscal year-end of 2002. Compared to 2003 documents, the Department has seen an 8.1% **increase** in the number of corporate returns received at this point of time in the calendar year.

### **Urban Revenue Sharing Returned to Cities/Towns**

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed during Fiscal Year 2004/05 is 15.0% of net proceeds from Fiscal Year 2002/03 income tax. Amounts returned for December 2004 are shown on Table 2, at the end of this report.

## TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES

### **Transaction Privilege, Severance and Use Tax Receipts**

The Arizona transaction privilege and severance tax consists of many classifications of tax. These classifications include but are not limited to retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non-shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non-shared. In contrast, contracting is 20% distribution base and 80% non-shared. Use tax is 100% non-shared.

At the close of each month, transaction privilege and severance tax collections are aggregated by category and total distribution base and non-shared portions are calculated. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. Education tax is in accordance with Proposition 301 resulting in an additional 0.6% education tax being added to most business classifications. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

|                          | <b>December 2004</b>  | <b>December 2003</b>  | <b>% change</b> |
|--------------------------|-----------------------|-----------------------|-----------------|
| Distribution Base        | \$ 119,330,141        | \$ 109,615,062        | 8.9%            |
| Non shared               | 226,874,706           | 205,263,206           | 10.5%           |
| Other Revenues           | 49,841,272            | 45,550,229            | 9.4%            |
| Education Tax            | 42,621,576            | 38,648,111            | 10.3%           |
| Use Tax                  | 19,586,986            | 18,665,128            | 4.9%            |
| <b>Total Collections</b> | <b>\$ 458,254,680</b> | <b>\$ 417,741,736</b> | <b>9.7%</b>     |

  

|                          | <b>Fiscal Year Total (04/05)</b> | <b>Fiscal Year Total (03/04)</b> | <b>% change</b> |
|--------------------------|----------------------------------|----------------------------------|-----------------|
| Distribution Base        | \$ 706,947,789                   | \$ 647,776,267                   | 9.1%            |
| Non shared               | 1,374,870,541                    | 1,255,769,021                    | 9.5%            |
| Other Revenues           | 297,071,541                      | 273,951,294                      | 8.4%            |
| Education Tax            | 258,325,087                      | 236,663,961                      | 9.2%            |
| Use Tax                  | 128,863,900                      | 115,252,680                      | 11.8%           |
| <b>Total Collections</b> | <b>\$ 2,766,098,858</b>          | <b>\$ 2,529,413,223</b>          | <b>9.4%</b>     |

### **Distribution of Transaction Privilege, Severance and Use Tax Receipts**

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non-shared revenue and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non-shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The education tax is distributed in accordance with Proposition 301. "Other" revenues are returned to the administering authority.

|                          | <b>December 2004</b>  | <b>December 2003</b>  | <b>% change</b> |
|--------------------------|-----------------------|-----------------------|-----------------|
| Retained by State        | \$ 287,618,657        | \$ 261,734,569        | 9.9%            |
| Returned to Counties     | 48,340,640            | 44,405,062            | 8.9%            |
| Returned to Cities       | 29,832,535            | 27,403,766            | 8.9%            |
| Education Tax            | 42,621,576            | 38,648,111            | 10.3%           |
| Other Revenues           | 49,841,272            | 45,550,229            | 9.4%            |
| <b>Total Collections</b> | <b>\$ 458,254,680</b> | <b>\$ 417,741,736</b> | <b>9.7%</b>     |

  

|                          | <b>Fiscal Year Total (04/05)</b> | <b>Fiscal Year Total (03/04)</b> | <b>% change</b> |
|--------------------------|----------------------------------|----------------------------------|-----------------|
| Retained by State        | \$ 1,747,580,734                 | \$ 1,594,439,735                 | 9.6%            |
| Returned to Counties     | 286,384,549                      | 262,414,166                      | 9.1%            |
| Returned to Cities       | 176,736,947                      | 161,944,067                      | 9.1%            |
| Education Tax            | 258,325,087                      | 236,663,961                      | 9.2%            |
| Other Revenues           | 297,071,541                      | 273,951,294                      | 8.4%            |
| <b>Total Collections</b> | <b>\$ 2,766,098,858</b>          | <b>\$ 2,529,413,223</b>          | <b>9.4%</b>     |

## **Transaction Privilege and Severance Tax Collections By Class**

|                               | <b>Tax Rate</b>                 | <b>December 2004</b>  | <b>% Chg</b> | <b>Fiscal Year Total</b> | <b>% Chg</b> |
|-------------------------------|---------------------------------|-----------------------|--------------|--------------------------|--------------|
| Transporting                  | 5.6%                            | 216,533               | -43.5%       | 1,468,814                | -33.4%       |
| Non-Metal Mining Oil/Gas      | 3.125%                          | 684,730               | -0.3%        | 4,662,808                | 6.7%         |
| Utilities                     | 5.6%                            | 23,518,814            | 9.9%         | 190,481,600              | 5.7%         |
| Communications                | 5.6%                            | 11,849,105            | 2.6%         | 73,214,119               | 4.7%         |
| Private Car/Pipelines         | 5.6%                            | 24,040                | -71.8%       | 331,424                  | -28.8%       |
| Publishing                    | 5.6%                            | 511,159               | 17.2%        | 3,342,486                | 3.4%         |
| Job Printing                  | 5.6%                            | 1,497,001             | 5.1%         | 8,894,754                | -1.4%        |
| Restaurants & Bars            | 5.6%                            | 30,254,398            | 1.9%         | 180,820,083              | 8.4%         |
| Amusements                    | 5.6%                            | 4,019,976             | 5.0%         | 18,819,644               | 3.1%         |
| Commercial Lease              | 0%                              | 63                    | NA           | 30,555                   | NA           |
| Rental of Personal Property   | 5.6%                            | 12,165,528            | -5.9%        | 78,998,354               | 1.9%         |
| Contracting                   | 3.75% - 5.6%                    | 63,982,500            | 26.4%        | 384,154,118              | 18.2%        |
| Feed Wholesale                | Repealed                        | 0                     | NA           | 0                        | NA           |
| Retail                        | 5.6%                            | 187,760,238           | 8.9%         | 1,082,943,282            | 8.1%         |
| Mining Severance              | 2.5%                            | 1,018,915             | 191.3%       | 6,701,482                | 292.8%       |
| Timber Severance              | \$2.13/\$1.51 per 1000 board ft | 731                   | -35.7%       | 4,672                    | -6.7%        |
| Hotel/Motel                   | 5.5%                            | 8,323,955             | -1.6%        | 44,527,714               | 8.1%         |
| Membership Camping            | 5.6%                            | 23,853                | 211.1%       | 56,187                   | 24.7%        |
| Use Tax                       | 5.6%                            | 19,604,357            | 5.0%         | 129,050,596              | 12.0%        |
| Rental Occupancy Tax          | 3.0%                            | 6,930                 | -32.0%       | (3,043)                  | NA           |
| Jet Fuel                      | \$.0305/\$.0105 gal             | 310,366               | -13.3%       | 2,193,635                | 7.9%         |
| Telecommunications Devices    | 1.1                             |                       |              | 0                        |              |
| Telecomm                      | ----                            | 368,732               | -12.7%       | 2,161,290                | -18.9%       |
| School for the Deaf and Blind |                                 | 97,605                | -30.7%       | 648,715                  | 17.3%        |
| Poison Control                | ----                            | 124,718               | 13.2%        | 651,099                  | -19.0%       |
| Teratogen Funding             |                                 | 5,423                 | NA           | 26,205                   | NA           |
| 911 Wireline                  | \$0.37/month per active service | 1,181,374             | 0.9%         | 6,950,082                | 2.5%         |
| 911 Wireless                  | \$0.37/month per active service | 1,088,610             | 21.3%        | 6,396,101                | 8.7%         |
| <b>Total</b>                  |                                 | <b>\$ 368,639,654</b> | <b>9.7%</b>  | <b>\$ 2,227,526,775</b>  | <b>9.4%</b>  |

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the department.

## **Transaction Privilege and Severance Tax Taxable Sales By Class<sup>1</sup>**

|                             | <b>December 2004</b> | <b>% Chg</b> | <b>Fiscal Year Total</b> | <b>% Chg</b> |
|-----------------------------|----------------------|--------------|--------------------------|--------------|
| Transporting                | 4,333,982            | -43.4%       | 29,402,646               | -33.4%       |
| Non-Metal Mining Oil/Gas    | 21,911,349           | -0.3%        | 149,298,625              | 6.7%         |
| Utilities                   | 470,376,274          | 9.9%         | 3,811,661,665            | 5.7%         |
| Communications              | 236,982,091          | 2.6%         | 1,465,169,064            | 4.8%         |
| Private Car/Pipelines       | 480,806              | -71.8%       | 6,632,522                | -28.8%       |
| Publishing                  | 10,224,600           | 17.2%        | 66,916,503               | 3.5%         |
| Job Printing                | 29,940,019           | 5.1%         | 178,007,599              | -1.3%        |
| Restaurants & Bars          | 605,090,847          | 1.9%         | 3,618,732,297            | 8.4%         |
| Amusements                  | 80,399,518           | 5.0%         | 376,664,314              | 3.2%         |
| Commercial Lease            | 2,116                | NA           | 893,358                  | NA           |
| Rental of Personal Property | 243,310,979          | -5.9%        | 1,581,008,579            | 2.0%         |
| Contracting                 | 1,286,399,105        | 27.0%        | 7,729,997,096            | 19.0%        |
| Feed Wholesale              | 0                    | NA           | 0                        | NA           |
| Retail                      | 3,755,383,281        | 8.9%         | 21,673,641,480           | 8.2%         |
| Mining Severance            | 40,756,600           | 191.3%       | 268,153,470              | 292.9%       |

<sup>1</sup>These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.



|                      |                      |        |                       |              |
|----------------------|----------------------|--------|-----------------------|--------------|
| Timber Severance     | 348                  | -34.8% | 2,297                 | -2.3%        |
| Hotel/Motel          | 151,344,641          | -1.6%  | 810,207,557           | 8.2%         |
| Membership Camping   | 477,062              | 211.1% | 1,125,281             | 35.0%        |
| Use Tax              | 400,231,020          | 7.3%   | 2,592,577,493         | 12.6%        |
| Rental Occupancy Tax | 231,009              | -32.0% | (99,649)              | NA           |
| <b>Total</b>         | <b>7,337,875,646</b> |        | <b>44,359,992,197</b> | <b>10.0%</b> |

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table are not elements of calculated taxable income and therefore, are not included in the above table. The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

### **Accounting Credit**

A credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. Due to our new processing system, the report needed to provide this data is not available.

### **Taxable Sales by SIC Code Range**

The taxable sales by SIC (Standard Industrial Classification) code range is undergoing a conversion to NAICS codes. The information since January 2004 is not yet available. Once it is available, it will be sent under separate cover.

### **Transaction Privilege and Severance Tax Returned to Counties**

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for December 2004 is shown in the County Share column.

|              | County Share      | % of Total | FYTD County Share  | % Change    |
|--------------|-------------------|------------|--------------------|-------------|
| Apache       | 356,305           | 0.7%       | 2,163,223          | 7.5%        |
| Cochise      | 1,144,962         | 2.4%       | 6,215,261          | 27.3%       |
| Coconino     | 861,734           | 1.8%       | 6,549,569          | -10.1%      |
| Gila         | 359,332           | 0.7%       | 2,212,723          | 4.6%        |
| Graham       | 215,885           | 0.4%       | 1,289,935          | 6.8%        |
| Greenlee     | 207,605           | 0.4%       | 1,223,513          | 43.5%       |
| La Paz       | 136,166           | 0.3%       | 817,111            | 7.6%        |
| Maricopa     | 31,162,253        | 64.5%      | 183,833,818        | 9.3%        |
| Mohave       | 1,346,388         | 2.8%       | 8,141,720          | 12.0%       |
| Navajo       | 734,288           | 1.5%       | 4,602,511          | 7.9%        |
| Pima         | 7,175,645         | 14.8%      | 42,346,257         | 7.9%        |
| Pinal        | 1,342,568         | 2.8%       | 7,761,121          | 10.9%       |
| Santa Cruz   | 328,891           | 0.7%       | 1,844,282          | 7.0%        |
| Yavapai      | 1,646,309         | 3.4%       | 10,014,599         | 11.1%       |
| Yuma         | 1,322,308         | 2.7%       | 7,368,906          | 10.7%       |
| <b>Total</b> | <b>48,340,640</b> |            | <b>286,384,549</b> | <b>9.1%</b> |

### **Transaction Privilege and Severance Tax Returned to Cities/Towns**

The portion of transaction privilege and severance tax returned to each incorporated city or town for December 2004 is shown on Table 3, attached to this report.

**County Tax Collections**

The following county-imposed tax collections were received by the Department of Revenue during December 2004 and returned to the counties. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge in Pima County is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

|            | Road Tax   | Excise Tax | Jail Tax  | Rental Car<br>Surcharge | Stadium<br>Tax | RV<br>Surcharge | Hospital<br>Tax/Health<br>SVCS Dist | Capitol<br>Projects | Tourism<br>Authority |
|------------|------------|------------|-----------|-------------------------|----------------|-----------------|-------------------------------------|---------------------|----------------------|
| Apache     |            | 73,455     |           |                         |                |                 |                                     |                     |                      |
| Cochise    |            | 504,720    |           |                         |                |                 |                                     |                     |                      |
| Coconino   |            | 749,173    | 449,225   |                         |                |                 |                                     | 187,279             |                      |
| Gila       | 198,353    | 192,402    |           |                         |                |                 |                                     |                     |                      |
| Graham     |            | 96,912     |           |                         |                |                 |                                     |                     |                      |
| Greenlee   |            | 67,697     |           |                         |                |                 |                                     |                     |                      |
| La Paz     |            | 68,533     | 68,533    |                         |                |                 | -259                                |                     |                      |
| Maricopa   | 24,965,838 |            | 9,290,668 | 652,860                 | 1,630          |                 |                                     |                     | 1,501,384            |
| Mohave     |            | 506,886    |           |                         |                |                 |                                     |                     |                      |
| Navajo     |            | 442,494    |           |                         |                |                 |                                     |                     |                      |
| Pima       |            |            |           | 217,383                 |                | 20,177          |                                     |                     |                      |
| Pinal      | 974,836    | 945,376    |           |                         |                |                 |                                     |                     |                      |
| Santa Cruz |            | 229,063    |           |                         |                |                 |                                     |                     |                      |
| Yavapai    |            | 1,121,865  | 561,885   |                         |                |                 |                                     |                     |                      |
| Yuma       |            | 902,508    | 902,185   |                         |                |                 |                                     | 901,022             |                      |

## OTHER TAXES

### Luxury Taxes

The following revenues were received from luxury taxes in December 2004. The table compares the receipts to December 2003 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

|                  | <b>December 2004</b> | <b>December 2003</b> | <b>% Change</b> |
|------------------|----------------------|----------------------|-----------------|
| Spirituos        | \$ 1,419,554         | \$ 2,091,715         | (32.1)          |
| Vinous           | 510,132              | 1,221,241            | (58.2)          |
| Malt             | 1,462,024            | 1,822,156            | (19.8)          |
| Cigarette        | 23,773,976           | 21,232,642           | 12.0            |
| Other Tobacco    | 778,289              | 712,562              | 9.2             |
| Tobacco Licenses | 250                  | 300                  | (16.7)          |
| <b>Total</b>     | <b>\$ 27,944,225</b> | <b>\$ 27,080,615</b> | <b>3.2</b>      |

  

|                  | <b>Fiscal Year (04/05)</b> | <b>Fiscal Year (03/04)</b> | <b>% Change</b> |
|------------------|----------------------------|----------------------------|-----------------|
| Spirituos        | \$ 10,756,331              | \$ 10,978,337              | (2.0)           |
| Vinous           | 4,463,652                  | 5,028,871                  | (11.2)          |
| Malt             | 11,132,242                 | 10,904,487                 | 2.1             |
| Cigarette*       | 137,827,490                | 129,861,562                | 6.1             |
| Other Tobacco    | 4,185,769                  | 3,829,535                  | 9.3             |
| Tobacco Licenses | 1,875                      | 2,375                      | (21.1)          |
| <b>Total</b>     | <b>\$ 168,367,358</b>      | <b>\$ 160,605,168</b>      | <b>4.8</b>      |

\*Through December 2004, \$448,500 of cigarette and tobacco tax collections has been allocated for administrative expenses and is not included in the cigarette collections above.

### General Fund revenues from luxury taxes:

|                  | <b>December 2004</b> | <b>Fiscal Year (04/05)</b> |
|------------------|----------------------|----------------------------|
| Spirituos        | \$ 993,687           | \$ 7,529,431               |
| Vinous           | 126,737              | 1,112,000                  |
| Malt             | 365,506              | 2,783,060                  |
| Cigarette        | 3,284,680            | 18,503,221                 |
| Other Tobacco    | 120,635              | 653,485                    |
| Tobacco Licenses | 250                  | 1,875                      |
| <b>Total</b>     | <b>\$ 4,891,495</b>  | <b>\$ 30,583,072</b>       |

### Other dedicated revenues from luxury taxes:

|   | <b>December 2004</b> | <b>Fiscal Year (04/05)</b> |
|---|----------------------|----------------------------|
| Correction Fund revenues                    | \$ 1,799,616         | \$ 12,907,774              |
| Tobacco Tax & Health Care Fund <sup>2</sup> | \$ 8,296,103         | \$ 48,133,735              |
| Tobacco Products Tax Fund <sup>3</sup>      | \$ 12,319,628        | \$ 71,756,431              |
| Wine Promotional Fund revenues              | \$ 3,183             | \$ 15,649                  |
| Drug Treatment & Education Fund revenues    | \$ 453,784           | \$ 3,557,387               |
| Corrections Revolving Fund revenues         | \$ 180,415           | \$ 1,413,307               |

<sup>2</sup> Formerly the Health Care Fund

<sup>3</sup> This Fund was created by Prop. 303, which increased cigarette & other tobacco products tax rates in November 2002.

**Estate Tax**

|               |              |                     |               |
|---------------|--------------|---------------------|---------------|
| December 2004 | \$ 2,462,239 | Fiscal Year to Date | \$ 20,745,602 |
| December 2003 | \$ 5,139,387 | Fiscal Year To Date | \$ 20,638,067 |
| % Change      | (52.1)       | % Change            | 0.52          |

**Bingo**

|               |           |                     |            |
|---------------|-----------|---------------------|------------|
| December 2004 | \$ 42,693 | Fiscal Year to Date | \$ 290,275 |
| December 2003 | \$ 45,407 | Fiscal Year to Date | \$ 298,880 |
| % Change      | (6.0)     | % Change            | (2.9)      |

**Unclaimed Property**

|               |              |                     |               |
|---------------|--------------|---------------------|---------------|
| December 2004 | \$ 1,047,632 | Fiscal Year to Date | \$32,474,907  |
| December 2003 | \$ 272,086   | Fiscal Year to Date | \$ 30,872,913 |
| % Change      | 285.0        | % Change            | 5.2           |

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS,  
ARIZONA DEPARTMENT OF REVENUE

**TABLE 1**  
**"New" Returns Filed in 2004 for Tax Year 2003**  
**Through December 2004**

| Federal Adjusted<br>Gross Income<br>Bracket | Number<br>of<br>Returns | % of<br>Total | Average<br>FAGI  | Average<br>Tax Due | CHARACTERISTICS OF TAXPAYERS |              |                        |                          |              |                             |
|---|-------------------------|---------------|------------------|--------------------|------------------------------|--------------|------------------------|--------------------------|--------------|-----------------------------|
|   |                         |               |                  |                    | %<br>Married<br>Joint        | %<br>Single  | %<br>Unmarried<br>Head | %<br>Married<br>Separate | %<br>Over 65 | %<br>With<br>Dependent<br>s |
| Negative FAGI                               | 2,928                   | 1.2%          | -\$21,555        | \$2                | 17.6%                        | 75.3%        | 4.2%                   | 2.9%                     | 13.8%        | 11.3%                       |
| <b>\$0-\$5,000</b>                          | <b>53,562</b>           | <b>22.4%</b>  | <b>\$2,681</b>   | <b>\$1</b>         | <b>3.9%</b>                  | <b>85.2%</b> | <b>9.9%</b>            | <b>0.9%</b>              | <b>3.9%</b>  | <b>14.6%</b>                |
| \$5,000-\$10,000                            | 50,232                  | 21.0%         | \$7,364          | \$25               | 7.2%                         | 73.7%        | 17.8%                  | 1.3%                     | 5.7%         | 25.9%                       |
| <b>\$10,000-\$15,000</b>                    | <b>34,452</b>           | <b>14.4%</b>  | <b>\$12,347</b>  | <b>\$91</b>        | <b>14.0%</b>                 | <b>57.5%</b> | <b>26.8%</b>           | <b>1.7%</b>              | <b>8.4%</b>  | <b>38.3%</b>                |
| \$15,000-\$20,000                           | 24,733                  | 10.3%         | \$17,362         | \$169              | 20.5%                        | 48.7%        | 28.4%                  | 2.5%                     | 8.6%         | 43.2%                       |
| <b>\$20,000-\$25,000</b>                    | <b>16,995</b>           | <b>7.1%</b>   | <b>\$22,361</b>  | <b>\$272</b>       | <b>25.3%</b>                 | <b>43.2%</b> | <b>28.4%</b>           | <b>3.1%</b>              | <b>8.0%</b>  | <b>46.3%</b>                |
| \$25,000-\$30,000                           | 12,032                  | 5.0%          | \$27,383         | \$390              | 29.3%                        | 40.5%        | 26.3%                  | 3.8%                     | 8.1%         | 46.4%                       |
| <b>\$30,000-\$40,000</b>                    | <b>15,280</b>           | <b>6.4%</b>   | <b>\$34,487</b>  | <b>\$553</b>       | <b>36.5%</b>                 | <b>37.4%</b> | <b>21.9%</b>           | <b>4.2%</b>              | <b>8.6%</b>  | <b>45.2%</b>                |
| \$40,000-\$50,000                           | 9,117                   | 3.8%          | \$44,634         | \$776              | 47.8%                        | 32.1%        | 16.8%                  | 3.3%                     | 10.3%        | 46.0%                       |
| <b>\$50,000-\$75,000</b>                    | <b>11,543</b>           | <b>4.8%</b>   | <b>\$60,644</b>  | <b>\$1,157</b>     | <b>62.5%</b>                 | <b>24.6%</b> | <b>10.5%</b>           | <b>2.5%</b>              | <b>12.9%</b> | <b>46.2%</b>                |
| \$75,000-\$100,000                          | 4,345                   | 1.8%          | \$85,473         | \$1,849            | 72.2%                        | 19.3%        | 6.8%                   | 1.7%                     | 14.6%        | 45.2%                       |
| <b>\$100,000-\$200,000</b>                  | <b>3,254</b>            | <b>1.4%</b>   | <b>\$129,567</b> | <b>\$3,309</b>     | <b>73.5%</b>                 | <b>18.2%</b> | <b>6.5%</b>            | <b>1.8%</b>              | <b>16.1%</b> | <b>43.2%</b>                |
| \$200,000-\$500,000                         | 658                     | 0.3%          | \$284,655        | \$9,475            | 69.7%                        | 21.9%        | 5.5%                   | 2.8%                     | 20.1%        | 39.6%                       |
| <b>\$500,000-\$1,000,000</b>                | <b>90</b>               | <b>0.0%</b>   | <b>\$654,692</b> | <b>\$24,465</b>    | <b>54.3%</b>                 | <b>30.9%</b> | <b>8.5%</b>            | <b>6.4%</b>              | <b>23.4%</b> | <b>34.0%</b>                |
| \$1,000,000 and over                        | 59                      | 0.0%          | \$1,958,095      | \$99,636           | 56.7%                        | 36.7%        | 5.0%                   | 1.7%                     | 18.3%        | 25.0%                       |
| <b>Total</b>                                | <b>239,280</b>          |               | <b>\$20,074</b>  | <b>\$334</b>       | <b>16.5%</b>                 | <b>49.4%</b> | <b>15.8%</b>           | <b>1.7%</b>              | <b>7.5%</b>  | <b>32.9%</b>                |

\*An asterisked line indicates that the information cannot be released due to confidentiality laws.

**NEW RETURNS FILED IN 2003 FOR TAX YEAR 2002**

|              |                |                 |              |              |              |              |             |             |              |
|--------------|----------------|-----------------|--------------|--------------|--------------|--------------|-------------|-------------|--------------|
| <b>Total</b> | <b>220,129</b> | <b>\$20,256</b> | <b>\$329</b> | <b>20.2%</b> | <b>57.0%</b> | <b>20.6%</b> | <b>2.2%</b> | <b>7.6%</b> | <b>34.7%</b> |
|--------------|----------------|-----------------|--------------|--------------|--------------|--------------|-------------|-------------|--------------|

"NEW" Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

**TABLE 2**  
**Urban Revenue Sharing Returned to Cities/Towns**  
**December 2004**

| City                          | Distribution | Population | City                            | Distribution         | Population       |
|-------------------------------|--------------|------------|---------------------------------|----------------------|------------------|
| <b><u>Apache County</u></b>   |              |            | Surprise                        | \$236,360            | 30,848           |
| Eagar                         | \$30,901     | 4,033      | Tempe                           | \$1,215,397          | 158,625          |
| Springerville                 | \$15,185     | 3,548      | Tolleson                        | \$38,111             | 4,974            |
| St. Johns                     | \$27,185     | 1,972      | Wickenburg                      | \$38,939             | 5,082            |
| <b><u>Cochise County</u></b>  |              |            | Youngtown                       | \$23,063             | 3,010            |
| Benson                        | \$36,096     | 4,711      | <b><u>Mohave County</u></b>     |                      |                  |
| Bisbee                        | \$46,662     | 6,090      | Bullhead City                   | \$258,741            | 33,769           |
| Douglas                       | \$126,600    | 16,523     | Colorado City                   | \$25,545             | 3,334            |
| Huachuca City                 | \$13,416     | 1,751      | Kingman                         | \$153,770            | 20,069           |
| Sierra Vista                  | \$289,433    | 37,775     | Lake Havasu City                | \$321,332            | 41,938           |
| Tombstone                     | \$11,524     | 1,504      | <b><u>Navajo County</u></b>     |                      |                  |
| Willcox                       | \$28,603     | 3,733      | Holbrook                        | \$37,674             | 4,917            |
| <b><u>Coconino County</u></b> |              |            | Pinetop-Lakeside                | \$27,446             | 3,582            |
| Flagstaff                     | \$405,278    | 52,894     | Show Low                        | \$58,960             | 7,695            |
| Fredonia                      | \$7,938      | 1,036      | Snowflake                       | \$34,173             | 4,460            |
| Page                          | \$52,171     | 6,809      | Taylor                          | \$24,335             | 3,176            |
| Williams                      | \$21,776     | 2,842      | Winslow                         | \$72,943             | 9,520            |
| <b><u>Gila County</u></b>     |              |            | <b><u>Pima County</u></b>       |                      |                  |
| Globe                         | \$57,358     | 7,486      | Marana                          | \$103,867            | 13,556           |
| Hayden                        | \$6,835      | 892        | Oro Valley                      | \$244,681            | 31,934           |
| Miami                         | \$14,834     | 1,936      | Sahuarita                       | \$24,840             | 3,242            |
| Payson                        | \$104,357    | 13,620     | South Tucson                    | \$42,065             | 5,490            |
| Winkelman                     | \$3,394      | 443        | Tucson                          | \$3,729,125          | 486,699          |
| <b><u>Graham County</u></b>   |              |            | <b><u>Pinal County</u></b>      |                      |                  |
| Pima                          | \$15,240     | 1,989      | Apache Junction                 | \$243,761            | 31,814           |
| Safford                       | \$70,736     | 9,232      | Casa Grande                     | \$193,268            | 25,224           |
| Thatcher                      | \$30,817     | 4,022      | Coolidge                        | \$59,657             | 7,786            |
| <b><u>Greenlee County</u></b> |              |            | Eloy                            | \$79,494             | 10,375           |
| Clifton                       | \$19,891     | 2,596      | Florence                        | \$116,778            | 15,241           |
| Duncan                        | \$6,222      | 812        | Kearny                          | \$17,232             | 2,249            |
| <b><u>La Paz County</u></b>   |              |            | Mammoth                         | \$13,501             | 1,762            |
| Parker                        | \$24,059     | 3,140      | Maricopa                        | \$38,295             | 4,998            |
| Quartzsite                    | \$25,698     | 3,354      | Superior                        | \$24,932             | 3,254            |
| <b><u>Maricopa County</u></b> |              |            | <b><u>Santa Cruz County</u></b> |                      |                  |
| Avondale                      | \$274,938    | 35,883     | Nogales                         | \$159,969            | 20,878           |
| Buckeye                       | \$65,105     | 8,497      | Patagonia                       | \$6,750              | 881              |
| Carefree                      | \$22,427     | 2,927      | <b><u>Yavapai County</u></b>    |                      |                  |
| Cave Creek                    | \$28,564     | 3,728      | Camp Verde                      | \$72,414             | 9,451            |
| Chandler                      | \$1,355,720  | 176,939    | Chino Valley                    | \$62,576             | 8,167            |
| El Mirage                     | \$58,301     | 7,609      | Clarkdale                       | \$26,220             | 3,422            |
| Fountain Hills                | \$155,042    | 20,235     | Cottonwood                      | \$70,330             | 9,179            |
| Gila Bend                     | \$15,171     | 1,980      | Jerome                          | \$2,521              | 329              |
| Gilbert                       | \$840,507    | 109,697    | Prescott                        | \$260,036            | 33,938           |
| Glendale                      | \$1,676,554  | 218,812    | Prescott Valley                 | \$180,327            | 23,535           |
| Goodyear                      | \$144,898    | 18,911     | Sedona                          | \$78,092             | 10,192           |
| Guadalupe                     | \$40,057     | 5,228      | <b><u>Yuma County</u></b>       |                      |                  |
| Litchfield Park               | \$29,193     | 3,810      | San Luis                        | \$117,398            | 15,322           |
| Mesa                          | \$3,047,790  | 397,776    | Somerton                        | \$55,673             | 7,266            |
| Paradise Valley               | \$104,695    | 13,664     | Wellton                         | \$14,014             | 1,829            |
| Peoria                        | \$830,293    | 108,364    | Yuma                            | \$595,228            | 77,685           |
| Phoenix                       | \$10,121,948 | 1,321,045  |                                 |                      |                  |
| Queen Creek                   | \$33,070     | 4,316      | <b>TOTAL</b>                    | <b>\$ 31,089,382</b> | <b>4,057,566</b> |
| Scottsdale                    | \$1,553,141  | 202,705    |                                 |                      |                  |

**TABLE 3**  
**Transaction Privilege and Severance Tax Returned to Cities/Towns**  
**December 2004**

| City                          | Distribution | Population | City                            | Distribution        | Population       |
|-------------------------------|--------------|------------|---------------------------------|---------------------|------------------|
| <b><u>Apache County</u></b>   |              |            | Scottsdale                      | \$1,489,630         | 202,705          |
| Eagar                         | \$29,638     | 4,033      | Surprise                        | \$226,695           | 30,848           |
| Springerville                 | \$14,492     | 1,972      | Tempe                           | \$1,165,697         | 158,625          |
| St. Johns                     | \$26,073     | 3,548      | Tolleson                        | \$36,553            | 4,974            |
| <b><u>Cochise County</u></b>  |              |            | Wickenburg                      | \$37,346            | 5,082            |
| Benson                        | \$34,620     | 4,711      | Youngtown                       | \$22,120            | 3,010            |
| Bisbee                        | \$44,754     | 6,090      | <b><u>Mohave County</u></b>     |                     |                  |
| Douglas                       | \$121,424    | 16,523     | Bullhead City                   | \$248,160           | 33,769           |
| Huachuca City                 | \$12,868     | 1,751      | Colorado City                   | \$24,501            | 3,334            |
| Sierra Vista                  | \$277,599    | 37,775     | Kingman                         | \$147,482           | 20,069           |
| Tombstone                     | \$11,053     | 1,504      | Lake Havasu City                | \$308,192           | 41,938           |
| Willcox                       | \$27,433     | 3,733      | <b><u>Navajo County</u></b>     |                     |                  |
| <b><u>Coconino County</u></b> |              |            | Holbrook                        | \$36,134            | 4,917            |
| Flagstaff                     | \$388,705    | 52,894     | Pinetop/Lakeside                | \$26,323            | 3,582            |
| Fredonia                      | \$7,613      | 1,036      | Show Low                        | \$56,549            | 7,695            |
| Page                          | \$50,038     | 6,809      | Snowflake                       | \$32,775            | 4,460            |
| Williams                      | \$20,885     | 2,842      | Taylor                          | \$23,340            | 3,176            |
| <b><u>Gila County</u></b>     |              |            | Winslow                         | \$69,960            | 9,520            |
| Globe                         | \$55,013     | 7,486      | <b><u>Pima County</u></b>       |                     |                  |
| Hayden                        | \$6,555      | 892        | Marana                          | \$99,620            | 13,556           |
| Miami                         | \$14,227     | 1,936      | Oro Valley                      | \$234,675           | 31,934           |
| Payson                        | \$100,090    | 13,620     | Sahuarita                       | \$23,825            | 3,242            |
| Winkelman                     | \$3,256      | 443        | South Tucson                    | \$40,345            | 5,490            |
| <b><u>Graham County</u></b>   |              |            | Tucson                          | \$3,576,634         | 486,699          |
| Pima                          | \$14,617     | 1,989      | <b><u>Pinal County</u></b>      |                     |                  |
| Safford                       | \$67,844     | 9,232      | Apache Junction                 | \$233,793           | 31,814           |
| Thatcher                      | \$29,557     | 4,022      | Casa Grande                     | \$185,365           | 25,224           |
| <b><u>Greenlee County</u></b> |              |            | Coolidge                        | \$57,217            | 7,786            |
| Clifton                       | \$19,077     | 2,596      | Eloy                            | \$76,243            | 10,375           |
| Duncan                        | \$5,967      | 812        | Florence                        | \$126,457           | 17,208           |
| <b><u>La Paz County</u></b>   |              |            | Kearny                          | \$16,527            | 2,249            |
| Parker                        | \$23,075     | 3,140      | Mammoth                         | \$12,949            | 1,762            |
| Quartzsite                    | \$24,648     | 3,354      | Maricopa                        | \$36,729            | 4,998            |
| <b><u>Maricopa County</u></b> |              |            | Superior                        | \$23,913            | 3,254            |
| Avondale                      | \$263,696    | 35,883     | <b><u>Santa Cruz County</u></b> |                     |                  |
| Buckeye                       | \$62,442     | 8,497      | Nogales                         | \$153,427           | 20,878           |
| Carefree                      | \$21,510     | 2,927      | Patagonia                       | \$6,474             | 881              |
| Cave Creek                    | \$27,396     | 3,728      | <b><u>Yavapai County</u></b>    |                     |                  |
| Chandler                      | \$1,300,282  | 176,939    | Camp Verde                      | \$69,453            | 9,451            |
| El Mirage                     | \$55,917     | 7,609      | Chino Valley                    | \$60,017            | 8,167            |
| Fountain Hills                | \$148,702    | 20,235     | Clarkdale                       | \$25,147            | 3,422            |
| Gila Bend                     | \$14,551     | 1,980      | Cottonwood                      | \$67,454            | 9,179            |
| Gilbert                       | \$806,137    | 109,697    | Jerome                          | \$2,418             | 329              |
| Glendale                      | \$1,607,997  | 218,812    | Prescott                        | \$249,402           | 33,938           |
| Goodyear                      | \$138,972    | 18,911     | Prescott Valley                 | \$172,953           | 23,535           |
| Guadalupe                     | \$38,419     | 5,228      | Sedona                          | \$74,899            | 10,192           |
| Litchfield Park               | \$27,999     | 3,810      | <b><u>Yuma County</u></b>       |                     |                  |
| Mesa                          | \$2,923,161  | 397,776    | San Luis                        | \$112,598           | 15,322           |
| Paradise Valley               | \$100,413    | 13,664     | Somerton                        | \$53,396            | 7,266            |
| Peoria                        | \$796,341    | 108,364    | Wellton                         | \$13,441            | 1,829            |
| Phoenix                       | \$9,708,043  | 1,321,045  | Yuma                            | \$570,888           | 77,685           |
| Queen Creek                   | \$31,717     | 4,316      |                                 |                     |                  |
|                               |              |            | <b>TOTAL</b>                    | <b>\$29,832,535</b> | <b>4,059,533</b> |